

GOVERNMENT OF IRELAND BILL

BASIS

OF

FINANCIAL ESTIMATES.

Presented to Parliament by Command of His Majesty.



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Government of Ireland Bill.

BASIS OF FINANCIAL ESTIMATES.

TREASURY, WHITEHALL, S.W.1.⁴

June, 1920.

This memorandum has been prepared in order to explain the manner in which the figures of revenue and expenditure contained in the previous Financial Memoranda on the Government of Ireland Bill (Cmd. 645 and Cmd. 707) have been arrived at. The totals of expenditure are divided up into the several Civil Service Votes or portions of Votes of which they are composed and the principles on which the Irish expenditure has been apportioned between Southern and Northern Ireland and (when necessary) between Great Britain and Ireland, are stated. The figures are those for 1920-21, but the same principles of apportionment were adopted for 1919-20.

In the case of revenue, besides brief notes on Post Office and Customs and Excise Revenue, it has been thought useful to include a full statement which has been prepared by the Board of Inland Revenue on the apportionment of the duties administered by that Department.

DETAILS OF IRISH EXPENDITURE, 1920-21.

I. Irish Services.

(a) Locally apportionable :

	Total	Southern Ireland.	Northern Ireland.
Vols.			
III. 15. Law Charges	£ 69,954	£ 58,130	£ 11,764
III. 18. County Courts { Vote	109,024(a)	81,347	27,477
Consolidated Fund	51,800	31,100	7,700
III. 21. Prisons	203,418	149,195	54,353
III. 22. Reformatory and Industrial Schools ...	136,951	124,851	22,000
III. 23. Dundrum Asylum ...	18,227	13,082	5,185
Total of Law and Prisons	579,404	450,395	129,009
II. 35. Agriculture	£ 473,657(b)	369,357	104,300
IV. 13. Public Education	3,467,000(c)	2,461,000	1,006,000
IV. 14. Intermediate Education	90,000	69,219	20,781
IV. 17. Science and Art	128,640(d)	87,940	40,700
IV. 19. Universities and Colleges & 18. ...	115,000	87,000	28,000
VI. 6. Trinity College ...	5,000(e)	5,000	—
Total of Education	3,808,640	2,710,159	1,098,481
VII. 1. Old Age Pensions ...	4,530,000	3,483,600	1,095,400
VII. 6. Insurance Commission ...	471,180(f)	299,004	172,176
VII. 5. Local Government Board ...	1,129,000(g)	710,000	419,000
VII. 7. Ministry of Labour ...	178,600(h)	104,300	65,400
Total of Health and Labour	1,773,780	1,118,204	660,576
II. 37 & VI. 6. Congested Districts Board ...	189,750(i)	189,750	—
VI. 7. Representation of the People Act ...	42,000	30,000	12,000
VI. 3. Dublin Hospitals	16,731	16,731	—
Uncl. 6. Ministry of Transport ...	57,800	41,300	16,500
I. 16. Light Railways ...	58,054	56,587	2,467
III. 17. Land Purchase ...	30,988(j)	25,525	7,456
Total of Miscellaneous	396,317	357,694	38,423
Local Taxation Grants	1,554,382	1,242,923	311,339

DETAILS OF IRISH EXPENDITURE, 1920-21.—continued.

(b) Other Services (apportioned according to population):

Irish Administrative Departments.

					£
II.	33.	Lord-Lieutenant and Household	...	...	9,739
II.	34.	Chief Secretary's Office	...	...	42,020(k)
II.	36.	Charitable Donations Office	...	...	3,033
II.	39.	Public Works Office	...	...	71,784
II.	40.	Registrar-General's Office	...	...	20,053
II.	41.	Valuation Office	...	...	54,439
IV.	15.	Endowed Schools Commissioners	...	...	1,042
Total				£202,110	
<i>Allied Services.</i>					
I.	15.	Accommodation	...	...	278,000
I.	14.	Rates	...	...	42,000
II.	24.	Stationery	...	...	105,000
		Postage	...	...	84,000
Total				509,000(l)	
VI.	1.	Superannuation	...	...	130,000(m)
IV.	16.	Institutions of Science and Art	...	...	87,425(n)
& 17.					
I.	15.	Parks, etc., under the Works	...	...	42,000(o)
		Excise and Inland Revenue (proportion for Old Age Pensions and transferred taxes)	...	...	124,000
		Other Imperial Dep'ts.	...	...	133,000(p)
		Irish Departments and Allied services as above	...	...	711,110
Total				£1,227,535	

(a) Excluding Magistrates, shown below under "Reserved Services."

(b) Total Vote Deduct Ex-War Services:—Subhead E. £545,257

Deduct Ex-War Services:—	Subhead E.	£545,257
	T.	£84,800
	U.	15,000
	V.	1,000

102,400

(Repayments)	...	V.	30,000
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72,600 (net)

£473,637

(c) Including £105,000 for increased war bonus for teachers.

(d) Grants to Schools, etc., excluding Science and Art Institutions (shown below).

(e) Provided in the Ireland Development Grant Vote.

(f) Includes suitable proportions of the National Health Insurance Joint Committee, and of the National Insurance Audit Department.

(g) Excludes £100,000 for ex-war services, viz.—

Subhead U. Land for ex-soldiers	...	...	£600,000
	V.	...	500

£600,500

(h) Excludes the estimated cost both direct and administrative of out-of-work donation and of the training, etc., of ex-soldiers.

(i) Includes £20,000 provided in the Ireland Development Grant Vote.

(j) The portion of the Land Commission Vote applicable to the collection of Land Purchase Annuities.

(k) Excluding £147,000 for education of ex-officers.

(l) Includes £42,000 under Stationery for the Representation of the People Act, and an approximate provision for the requirements of Imperial Departments apportioned under Irish Services.

(m) Irish proportion of the Superannuation Vote (gratuities, &c., as well as pensions).

(n) Balance of Science and Art Vote, together with National Gallery.

(o) Items in the Public Works and Buildings Vote not required for the accommodation of any Public Department.

(p) Portions of the following Votes:—

Surveys	Exchequer and Audit Department
Treasury	Friendly Societies Registry
Home Office	Woods and Forests
Forestry Commission	Miscellaneous Legal Expenses
Civil Service Commission	Scientific Investigation

II. Reserved Services.

		Total.	Southern Ireland.	Northern Ireland.
Vote.	Police and Magistracy—	£	£	£
III. 19.	Dublin Metropolitan Police	335,250	335,250	—
	Allied Services	25,874	25,874	—
III. 20.	Royal Irish Constabulary	3,402,253	2,551,610	851,668
	Allied Services	64,964	48,723	16,241
III. 18.	Magistrates	63,698(g)	52,173	11,525
		3,392,089	3,013,710	878,329
	Post Office	3,280,000(r)	2,880,000	840,000
II. 21.	Public Record Office (net)	13,259(s)	9,480	3,779
	Land Purchase—			
III. 17.	Land Commission Vote	1,067,781(t)	908,631	154,150
VI. 6.	Ireland Development Grant (Excess Stock).	180,000	154,980	25,020
	Allied Services	25,551	23,718	4,833
		1,376,332	1,062,599	214,003
III. 16.	Supreme Court and Judges' Pensions	213,389(u)	152,573	60,816
	Revenue Departments	585,000	375,000	160,000

(g) Portion of County Courts Vote.

(r) Including a suitable proportion of allied services (Stationery, Accommodation and Rates), but deducting the Postal expenses of Irish Departments.

(s) Vote	£
Allied Services	12,333
	1,912
Deduct extra receipts	14,300
	1,050
	13,259
(t) Vote	£
Cost of collecting Annalies (included in Irish Services)	1,118,763
	30,982
	1,087,781
(u) Vote	£
Allied Services	162,759
Judges' Salaries (Consolidated Fund)	26,540
Pensions (Judges and Chairmen of Quarter Sessions)	58,000
	21,500
Deduct extra receipts	238,599
	75,210
	213,389

APPORTIONMENT OF EXPENDITURE BETWEEN SOUTHERN AND NORTHERN IRELAND.

Law Charges.

Sub-heads B and C (Crown Solicitors' salaries) have been divided according to the localities in which the officers are stationed. The rest of the expenditure has been apportioned by counties.

County Courts.

Practically the entire expenditure can be localised.

Prisons.

The total of the Vote has been divided in proportion to the daily average numbers of prisoners confined in the prisons situated in Southern and Northern Ireland respectively in the three years 1910-11 to 1912-13.

Reformatory and Industrial Schools.

The proportion of 15·4 per cent. for Northern Ireland to 84·6 per cent. for Southern is based on the expenditure in 1919-20 in the two areas respectively.

Dundrum Asylum.

The expenditure is allocated in proportion to population.

Agriculture.

The apportionment is based upon the best estimate obtainable of the expenditure of the Department in Southern and Northern Ireland respectively.

Public Education.

The apportionment of the estimated expenditure on Public Education in Ireland for the financial year 1920-21 was based to as large an extent as was found practicable on actual payments for the latest year for which figures were available. It may be taken that about nine-tenths of the total sums involved was computed on this basis (*i.e.*, actual expenditure). Where it was not possible to determine the actual charge which should be allocated to each County in respect of a particular service, the total cost of that service was apportioned between Southern Ireland and Northern Ireland by a calculation based on the average attendance of pupils at the national schools in the respective areas.

Intermediate Education.

The figures relating to the Capitation Grant and the Teachers' Salaries Grant were based on the actual payments made from the Vote in the financial year 1919-20 to schools in Southern Ireland and Northern Ireland.

In the case of "Loans and Special Grants to Schools" the apportionment was made on the basis of the amounts paid in the year 1919-20 plus any further payments under this head sanctioned by the Board in respect of the year 1920-21.

The administrative expenses were estimated on the amount sanctioned by the Irish Government last year, with the addition of an extra sum for war bonus payable to the staff whose salaries are chargeable against the Vote.

Science and Art.

Expenditure is allocated approximately according to the area in which it is incurred.

Universities and Colleges.

The grants are allocated according to their actual destination.

Trinity College, Dublin.

This concerns Southern Ireland only.

Old Age Pensions.

In March, 1919, there were 173,699 pensioners in Ireland, of whom 41,579 were in the Six Ulster Counties. Accordingly the expenditure has been divided in this proportion, 23·94 per cent. to Northern Ireland, and 76·06 per cent. to Southern Ireland.

Insurance Commission.

The salaries and expenses of the Inspecting Staff are divided according to the localities in which the staff actually work. All other expenses are divided in proportion to the number of insured persons, 37·14 per cent. being allotted to Northern Ireland and 62·86 per cent. to Southern.

Local Government Board.

Sub-heads S and T (Grants under the Housing (Ireland) Act, 1919, and the Housing Additional Powers Act, 1919) are divided in proportion to Urban population, 39·96 per cent. being assigned to Northern Ireland and 60·04 to Southern.

Sub-head R (Grants for the Treatment of Tuberculosis) has been divided in proportion to the actual expenditure on the same service in Northern and Southern Ireland in 1919/20 so far as ascertainable, 38 per cent. going to the former and 62 per cent. to the latter.

Sub-heads I and J (Grants to the Labourers' Cottages Fund) have been divided according to the actual destination of the annuities paid out of the Fund (18·3 and 81·7 per cent).

The balance of the Vote has been divided in proportion to population.

Ministry of Labour.

The allocation of the expenditure from the Ministry of Labour Vote is complicated by the fact that the functions of the Department are at present largely concerned with the training and resettlement of discharged soldiers and sailors. Such expenditure, being Imperial under Clause 4 (3) of the Bill, has been eliminated, and the residue, which represents the best approximation that can be made to the normal expenses of the Department in Ireland has been allotted as to 40 per cent. to Northern Ireland and as to 60 per cent. to Southern. These proportions are based primarily on the distribution of the employed, and more particularly of the industrially employed population.

Congested Districts Board.

This has been regarded as entirely the affair of Southern Ireland, for though the necessary powers exist for designating other areas as Congested Districts, all existing Congested Districts are in Southern Ireland.

Representation of the People Act.

The total Vote has been divided between Great Britain and Ireland in proportion to the numbers of electors, and between Northern and Southern Ireland in proportion to population.

Dublin Hospitals.

The grants have been regarded as entirely for Southern Ireland. They do not form part of any general scheme such as would throw expense on Northern Ireland on severance.

Ministry of Transport.

This has been divided in proportion to population.

Light Railways.

The expenditure under the Vote for Railways, Ireland, has been divided according to the actual destination of the payments.

Land Purchase (Collection of Annuities).

This sum is divided mainly in proportion to the number of payers of annuities.

Local Taxation Grants.

The apportionment follows almost exactly the actual allocation of the Grants in 1919/20, with adjustments in the case of grants to unions situated partly in Northern and partly in Southern Ireland.

Dublin Metropolitan Police.

Exclusively Southern Ireland.

Royal Irish Constabulary.

The apportionment of 25 per cent. to Northern Ireland is based on the distribution of the authorised strength of Sergeants and Constables last year.

Magistrates.

The allocation is determined by the Magistrates' areas.

Post Office.

The expenditure is allocated (subject to certain small adjustments) in proportion to the actual local payments by Postmasters, etc., in the year 1918/19. These local payments constituted a large proportion of the total.

Land Purchase.

Having regard to the number of past transactions and the amount of pending work under the Land Purchase Acts, it was estimated that 22 per cent. of the work arose in the six Ulster Counties, thus leaving 78 per cent. for the rest of Ireland, and the amounts applicable to Sub-heads A, B, C, D, E, F and K of the Estimate for 1920-21 in respect of Reserved Services were apportioned on this basis.

The figures under Sub-heads G (Land Purchase Aid Fund) and H (Excess Stock) all apply to Reserved Services, and were apportioned on the basis of the amount of the actual advances already made, the result being that 16 per cent.

applied to the six Ulster Counties, leaving 84 per cent. for the rest of Ireland. With regard to Sub-head J (Improvement of Estates), apportionment was based on probable requirements within the six Ulster Counties as compared with the rest of Ireland.

The Appropriations in Aid applicable to the Reserved Services were apportioned as far as possible on the same basis as was adopted with regard to the expenditure out of which such receipts sprung.

The Ireland Development Grant was apportioned on the basis of the apportionment amongst the several Counties supplied for the year 1919/20 by the National Debt Commissioners.

The amount for the Allied Services, in respect of Reserved Services, which comprises the salaries of one Judicial Commissioner and one other Commissioner charged against the Consolidated Fund, as well as the expenditure borne on other Votes, was divided on the basis of the apportionment of the total net cost of Reserved Services on the Land Commission Estimate for 1920-21.

Supreme Court and Judges' Pensions.

This is divided in proportion to population.

Revenue Departments.

Inland Revenue expenditure is allocated approximately on the basis of cost. Customs and Excise expenditure is allocated according to population.

POST OFFICE REVENUE.

The Postal and Telegraph Revenue has been apportioned according to the value of the Postage Stamps supplied to Postmasters, etc., in 1918/19. For the Telephone Revenue the receipts for the Province of Ulster were ascertained, and were divided between the six Counties which form Northern Ireland and the rest of the Province in proportion to the number of subscribers' stations.

CUSTOMS AND EXCISE REVENUE.

So far as the apportionment between Great Britain and Ireland is concerned, the methods indicated in the Annual Financial Relations Return, and more fully explained in the Appendix to the Report of the Primrose Committee (Cd. 6153), remain unchanged.

The apportionment between Northern and Southern Ireland has been made on the basis of population, except in the case of licences and entertainments duty, where an estimate of the local distribution of the duty-paying concerns has been made.

Note by the Board of Inland Revenue on the Revenue and Expenditure (England, Scotland and Ireland), Return usually known as the Financial Relations Return, and on Command Papers 645 and 707 of 1920 relating to Financial Provisions (Government of Ireland Bill).

DEATH DUTIES.

SOMERSET HOUSE, W.C.2.

1. For purposes of the Financial Relations Return it is the practice to treat the country of collection of the Estate Duty, Legacy Duty and Succession Duty as corresponding with the country which contributes the revenue.

2. As regards the Estate Duty, while it is possibly not absolutely true that the duty collected in each of the three kingdoms of the United Kingdom exactly corresponds with the duty on the property of persons domiciled in those kingdoms respectively, it has been considered sufficiently true for the practical purpose of the return, notwithstanding the possibility of unequal cross-ownership of realty, upon which the duty is collected where the property is situated.

3. The Legacy Duty is collected in the country where the deceased was domiciled, and even assuming that it falls on the recipient of the legacy, there is no means of ascertaining in which of the three kingdoms the recipient of any

particular legacy is domiciled and that branch of revenue is accordingly taken in the absence of other evidence as collected.

4. The Succession Duty is mainly a duty on real and leasehold property passing by death. As the duty, so far as real and leasehold property is concerned, is almost invariably paid in the country in which the property is situated, that part of the Succession Duty is regarded as contributed by the country in which it is collected. Succession Duty on personalty is normally collected in the country where the deceased was resident, and is credited to that country.

5. The only adjustment of the Death Duties revenue as collected in the three kingdoms that is made for purposes of the Financial Relations Return consists of a transfer of such portion of the duties collected in Great Britain as is estimated to be attributable to persons domiciled outside of the United Kingdom. The allocation to Ireland is, therefore, not affected.

6. For the purposes of Command Papers 645 and 707 of 1920, the division of the 'Death Duties' revenue attributed to Ireland as between northern and southern Ireland respectively was based upon a recent analysis of the duty collected in Ireland in each of the three years 1916-17, 1917-18 and 1918-19, in order to ascertain the relative proportions in which the duties collected in Ireland were contributed by residents in each of those two areas.

INCOME TAX.

7. Under the Income Tax Acts all property and profits arising in the United Kingdom, or accruing to residents in the United Kingdom, are as far as practicable charged at their first source without regard to the ultimate destination of the profits or income. The tax is charged under five schedules known as Schedules A, B, C, D and E, and is dealt with as follows in the preparation of the Financial Relations Return.

8. The tax under Schedules A and B upon the respective profits of ownership of lands, buildings, etc. (Schedule A) and of occupation of lands (Schedule B) is charged and collected in the country where the property is situated. As regards Schedule A, immense difficulties stand in the way of ascertaining where the persons live who are in receipt of the income derived from such property, and the tax collected is therefore attributed to the country in which it is collected, i.e. the country where the source of income is situated. Under Schedule B, assessments are made on the actual occupiers of the land who mostly reside where those lands are situated. The figures of collection under this schedule therefore represent almost exactly the true contribution of the country whether that contribution is based upon the source or the destination of the income.

9. The receipts under Schedule E are derived from assessments upon the salaries, fees, emoluments, etc., of Crown servants, including the Army and Navy, and all employees of limited liability Companies, municipal corporations, local government authorities and other public or statutory bodies. As the tax is almost entirely collected in the same country as that in which the recipient of the income resides, it is regarded as contributed by the country in which it is collected subject to one adjustment which does not affect Ireland. That adjustment is a transfer of a portion of the tax collected in England to "other sources" as representing Income Tax on the salaries of Imperial officers resident outside of the United Kingdom.

10. There remain Schedules C and D. Schedule C embraces interest annuities, dividends, etc., payable in the United Kingdom out of the public revenue of the United Kingdom (except interest, etc., payable on certain war securities), the Dominions and foreign countries. Schedule D embraces the profits from trades, manufactures, professions, employments, certain interest, foreign and colonial securities and possessions, etc. For purposes of the return these two Schedules are treated together. The total income assessed may be divided into two categories : (1) income from investment of capital, and (2) income from earnings. Into the first division fall all the income assessed under Schedule C, all the profits of public Companies, the income of individuals and firms from investments abroad, and from all interest of money, including that payable out

of the public revenue but not assessed under Schedule C, and such proportion of the profits of individual and partnership traders as may be attributed to the investment of capital in their business. This proportion in the case of individual and partnership traders is taken as one-fifth. The remainder of the income assessed under Schedule D falls into the second category of earnings.

11. As regards the first category, viz., income assessed under Schedules C and D, arising from the investment of capital, an adjustment of the revenue as collected is made in order to arrive at the revenue estimated to be contributed by the respective countries. This adjustment aims at the distribution of the tax collected on the basis of the domicile of the individuals bearing the tax. For this purpose recourse is had to statistics extracted from the Estate Duty Affidavits. Up to 1914-1915 the free personality upon which Estate Duty was paid in each Kingdom was analysed according to the *de facto* situation of the personality concerned, and a table was compiled each year showing how much of that personality was situated in England, Scotland and Ireland respectively. On an average of the tables for the ten years ended 1914-1915,* it appeared that on balance 2·6 of all the free personality in the United Kingdom subject to Estate Duty was situated in England, but owned by persons resident in Scotland or Ireland (as to 1·5 per cent. in Scotland and 1·1 per cent. in Ireland). Accordingly, and on the assumption that the distribution of capital values disclosed by the Estate Duty returns may be taken as indicating the corresponding distribution of the investment income upon which tax was collected under Schedules C and D, the adjustment under this head of Income Tax is made by transferring 1·1 per cent. of the total tax collected in the United Kingdom to Ireland as representing the tax collected in England, but borne by residents in Ireland.

12. In the second category the tax is taken as contributed by the country in which the tax is collected, for as the assessments are made at the place where the trade is carried on or the profession or employment exercised, it is broadly true that the tax is borne by persons resident in the country where it is paid.

13. A further adjustment is made, also based on Estate Duty statistics, for tax collected in Great Britain attributable to the property of persons domiciled abroad, but this adjustment does not extend to tax collected in or attributed to Ireland.

14. In the return as printed, the revenue from Schedules C and D of the Income Tax is shown separately for—

- (a) Schedule C (Government Stocks, etc.) and Schedule D (Public Companies, Foreign Dividends; Coupons, etc.), and
- (b) Schedule D (Trades and Professions).

but the calculations involved are made on the principles here described.

15. The revenue contributed by Ireland having been ascertained by these methods, it has been divided, for purposes of Command Papers 645 and 707 of 1920, between northern and southern Ireland, as follows:—

16. The bulk of the Income Tax is collected under the supervision of H.M. Inspectors of Taxes who are located throughout the country, each in charge of a certain area. The remainder of the tax in Ireland is assessed centrally at Dublin. From each of the Inspectors of Taxes in Ireland particulars were collected of the amount of tax assessed under the various schedules, and from those particulars a percentage apportionment as between northern and southern Ireland was obtained. The duty assessed centrally was then divided in like proportions.

17. Two further points in connection with the Income Tax adjustments in the Financial Relations Return should be mentioned. The first relates to a large company whose manufacturing works are situated in Ireland but whose Head Office is situated in Great Britain. In law, the residence of a company for Income Tax purposes is the place where control is exercised. The legal residence of this company is therefore in Great Britain, and in the estate duty statistics referred to above, the personality of shares in the company is treated as English personality. But the Income Tax assessment happens in fact to be made in Ireland, and the tax is collected there. As the transfer of some of the tax collected in England to the credit of Ireland is based on the Estate Duty statistics

* The collection of these statistics was suspended during the war, and was recommenced as from 1st July, 1919.

in which the company's shares figure an English personality, it is probable that a certain over-credit to Ireland results.

18. The second point arises in connection with real and leasehold property. As explained above, the Income Tax collected in respect of immovable property in Ireland is attributed to Ireland. The amount of tax so collected in Ireland does not, however, include a certain proportion of the interest arising out of lands in Ireland payable under the Irish Lands Acts, because the proportion in question is handed over to the Bank of England to meet the interest payable on the Land Stocks in England, and is treated as English tax—as collected—subject to the general adjustment. This course diminishes the amount of tax that would be attributable to Ireland, if the principle of attributing the tax arising from immovable property to the country in which the property is situated were consistently followed.

19. On the whole, it is considered that correction of both factors would not materially vary the amount of Income Tax attributable to Ireland, as shown in the Financial Relations Return.

SUPER-TAX.

20. When the amount of Income Tax attributable to Ireland under all schedules has been determined, by the methods described above, the ratio of the Irish contribution to the total net receipt of Income Tax for the United Kingdom is adopted for the purpose of estimating Ireland's contribution of Super-tax, as shown on the Financial Relations Return. The allocation of Super-tax attributed to Ireland, as between northern and southern Ireland respectively, is similarly based on the Income Tax percentages.

STAMPS.

21. For the Financial Relations return the "collected" revenue from stamps is taken to be contributed by the country in which the revenue is collected, as to three-quarters of the total revenue subject to the further adjustment described in paragraph 25 below.

22. The remaining quarter is adjusted in the same manner as the Income Tax collected on investment income, that is by the transfer of 1*1*/₂ per cent. of the total produce of this quarter from the revenue collected in the United Kingdom to the credit of Ireland.

23. This adjustment is made on the ground that as respects certain stamps revenue, duty collected in England is actually borne by residents in Ireland. The stamps revenue concerned is that arising from the duty on five classes of instruments, viz.:—

Marketable securities; contract notes; share warrants; transfers of stocks and shares; and bonds, debentures, etc.

24. The proportion of a quarter—25 per cent.—was arrived at many years ago. It was altered to 3*3*/₄ per cent. for 1912-13 and 1913-14, and to 20 per cent. for 1914-15 and 1915-16. The 25 per cent. was restored for 1916-17, and has been retained since.

25. A further adjustment has been made for many years in respect of the Stamp Duty on Marine and life insurance policies. A fixed sum of £5,000 is transferred from the duty collected in England to the credit of Ireland.

26. The division of the "contributed" Irish revenue from stamps as between northern and southern Ireland has been made in the same proportions as disclosed by the Income Tax statistics, in the absence of any other guide.

CORPORATION PROFITS TAX.

The estimated revenue in 1920-21 from the Corporation Profits Tax proposed in the present Budget is £3,000,000. The estimated Irish contribution included therein is £96,000, and this sum has been equally divided between southern and northern Ireland after consideration of the relative proportions in which Income Tax and Excess Profits Duty respectively are contributed by those areas.